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**Sen. Rosa Franklin**

PO Box 40429  
Olympia, WA 98504-0429



solution proposed by the Washington Sate Medical Association - putting a \$250,000 cap on non-economic damages - will help. What is clear is that limiting a patient's right to be compensated for life-altering injuries caused by medical errors is an injustice. Rather than hurt a person's right to recovery, we should be improving patient safety, reducing medical errors and reforming the insurance industry.

- **Affordable health insurance for small businesses and their workers.** Thousands of the uninsured in our state work for small businesses that can't afford to offer health insurance to their employees. Other workers can't afford the insurance they are offered. This session, we will be considering recommendations from the Insurance Commissioner and others to make insurance more affordable.

**Town Hall and  
Tax Restructuring Forum**

Please join me for two town hall events I will be hosting during the third week of January.

Weigh in on issues ranging from our health care system, to taxes, to the quality of our schools.

**Town Hall  
(Focus on health care,  
employment & budget)**

Tuesday, Jan. 20  
7 to 9 p.m.  
Building A in the Cafeteria  
Bates Technical College  
2201 S. 78th, Tacoma

**Tax Restructuring Debate**

Thursday, Jan. 22  
7 to 9 p.m.  
Trinity Lutheran Church  
12115 Park Ave. S., Parkland  
(Across from PLU Library)

*Pre-registration is requested, but not required. Please call my  
Olympia office at (360) 786-7656 for more information.*

**Senator Rosa Franklin**  
328 John A. Cherberg Building  
PO Box 40429  
Olympia, WA 98504-0429



**2004 LEGISLATIVE UPDATE**

*from* **Senator Rosa Franklin**



Olympia Office:  
328 John A. Cherberg Building  
PO Box 40429  
Olympia, WA 98504-0429

Ph: (360) 786-7656  
FAX: (360) 786-7520  
Toll-free: 1-800-562-6000  
Email: franklin\_ro@leg.wa.gov

Dear Neighbors,

When the short, 60-day session begins in early January, the major issues will be the shape of primary elections in the future, the fate of an effort to significantly improve our schools and colleges, tax breaks for high-tech companies and a plan to increase wages and benefits for the people who care for our most vulnerable citizens.

And, even though we passed a two-year budget last session, we will have to make some tough fiscal decisions in the light of yet another budget shortfall. But the good news is that compared with last year, when the deficit was as large as any faced by the state in decades - a whopping \$2.6 billion - this year's "supplemental" fiscal crunch should be more manageable. Nonetheless, balancing a budget is never easy, even if the current shortfall of about \$200 million is only a fraction of what we faced in 2003.

The truth is that, regardless of the magnitude of the supplemental deficit, we will again be debating questions that go to the heart of our priorities as a state. We will again be making decisions that affect whether all our citizens have equal access to good schools, decent paying jobs and high quality health care.

Unlike the federal government, the state balances its budget and lives within its means. That means that this session the Legislature will have to raise new revenues, tap into its reserve funds and/or reduce services to balance the budget. And doing that is a challenge when most of the current funding - more than 55 percent - goes to educating our children and the rest is largely dedicated to providing health care and other services to children from poor families and to disabled and elderly adults. But whatever the specific decision, I will apply this test: Does it promote opportunity, security, fairness and a better future for all our citizens?

This newsletter provides some information about the state's current budget situation and other issues. I hope you will find it useful.

Attached to my newsletter is a survey and I look forward to hearing from you about your priorities.

Warmly,

*Rosa Franklin*  
Sen. Rosa Franklin  
Assistant Democratic Floor Leader

Web site: [www.sdc.wa.gov/franklin.htm](http://www.sdc.wa.gov/franklin.htm)  
Committees: Commerce & Trade • Health & Long Term Care • Rules

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## 2004 LEGISLATIVE UPDATE

### Budget: \$200 million in unanticipated costs

#### What happened?

- **More children attending schools.** The number of children in our schools is increasing faster than expected. This will increase the cost of education by about \$50 million.
- **Growing prison population.** Despite taking steps last session to reduce the cost of managing our state prisons, the Department of Corrections reports that the number of inmates is growing. That will cost the state about \$67 million more.
- **Wildfires and floods.** Mother Nature was particularly nasty last year, forcing the state to respond to these natural disasters by fighting more fires and floods. The cost of waging these battles is estimated at about \$30 million.
- **More unemployed disabled people.** Washington has had one of the highest rates of unemployment in the nation over the past year. As a result, more of those who are disabled and unable to work have turned to the state for help and medical assistance. The state's General Assistance-Unemployable program is expected to incur \$26 million in additional expenses.

#### Are there additional pressures on the budget?

- **Home care workers.** Last session, the Legislature provided a 75-cent/hour wage increase to the 26,000 workers who take care of low-income, frail elderly folks in their homes. But even with that modest raise, these workers are still poorly paid. This session, these workers are asking for a \$26 million contract that would raise their wages an additional 50 cents/hour and provide health insurance.

### Other Issues:

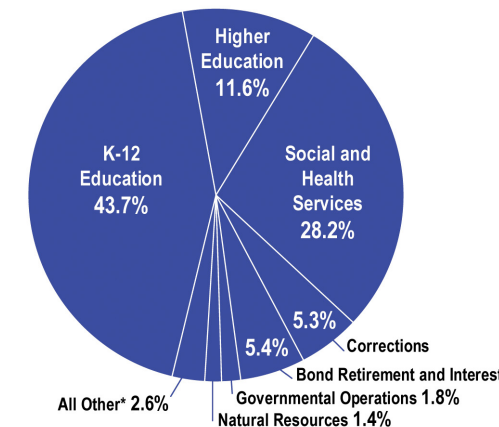
#### Primary elections

In December, the Legislature did away with this year's meaningless presidential primary to save taxpayers \$7 million. But another pressing issue is our primary election process. In September, the 9th U.S. Circuit Court of Appeals struck down our "blanket" primary, asserting it violated political parties' First Amendment rights of free association. Although the case has been appealed, it's highly likely that the Legislature will have to change our current system - a system that allows voters to pick any candidate on the primary ballot, regardless of party affiliation.

#### The Legislature is likely to consider several options:

- A **"Cajun Primary,"** modeled after Louisiana's, where the top two vote getters advance to the general election, regardless of party. Voters can cast their ballots for both Republicans and/or Democrats, and they wouldn't have to register by party. Under this system, you could end up with two Democrats pitted against one another in the general election.

**General Fund-State: Operating**  
**Distribution of 2003-05 General Fund-State Expenditures**



- **Tax breaks for high tech companies.** Many lawmakers want to extend tax breaks to high tech companies, which would reduce state revenues by about \$75 million. We should make sure these tax breaks are creating jobs before extending them.

#### What are the options for balancing the budget?

In essence, it boils down to raising additional revenue, cutting services or spending the reserves - or a combination of those three - to add up to about \$200 million. Currently, there is about \$500 million in the reserve fund. Using the reserve sounds like an easy fix. But tapping those funds could make for tougher decisions down the road, as deficits are expected to continue to balloon, increasing to as much as \$3 billion by 2009.

- **Open Primary, Private Choice,** a system Montana and other states use, which requires voters to take only one party's slate of candidates to choose from. No record would be kept of which ballot a voter takes.

#### Education

The League of Education Voters is proposing to establish an Education Trust Fund, with a dedicated revenue source, to fund improvements in early childhood education, K-12 schools, community and technical colleges, and four-year colleges and universities. The trust fund would:

- Expand access to early childhood education for certain pre-school-aged children.
- Fully fund Initiative 728 to reduce class sizes and make other K-12 improvements.
- Fund all-day kindergarten for targeted children.

## 2004 LEGISLATIVE UPDATE

- Expand enrollments in community and technical colleges and four-year colleges and universities to meet the anticipated demand for 33,600 new spaces by 2010.
- Expand programs that train nurses, math and science teachers, and engineers.

Supporters hope to find a way to generate between \$600 million and \$1 billion per year to fund the trust. They are considering a number of options, including extending the sales tax to professional services; applying the sales tax to consumer services such as cable TV, gym and country club memberships and hairdressers; and increasing the sales tax rate. But no decisions had been made when this newsletter was being written.

The package will likely be proposed as a bill with a referendum clause. That means that if the Legislature does not pass the bill, it would be placed on the ballot in November 2004.

#### Health care

With health care costs rising at double-digit rates, our health care system is under great strain: The number of people without insurance is growing; those who have insurance are paying more; and small businesses are struggling to find affordable coverage for their workers.

Last session was a particularly difficult one for state health-care programs. We were able to stave off the worst health care cuts, particularly those that would have hurt children.

Nonetheless, some painful cuts were imposed on a health care system that is already fraying.

- **Basic Health Plan (BHP).** This program, which provides affordable health insurance to low-income adults, was the target of numerous proposed cuts. In the end, the Legislature made budget cuts that will result in about 100,000 people - 20,000 fewer than were covered early last year - eligible for the BHP this year.
- **Medicaid for children.** This program, which provides health services to about 600,000 children from low-income families, was also on the chopping block. The Senate majority proposed eliminating Medicaid coverage for about 50,000 children. In the end, that plan was thwarted. Consequently, no child will lose coverage. However, families of some children will have to pay monthly premiums ranging from \$15 to \$25 a month. I will be fighting to use about \$20 million in new federal dollars to rollback those increases in premiums.

#### During the 2004 session, we will be considering these critical health care issues:

- **Medical malpractice.** Are escalating medical malpractice insurance rates threatening patients' access to critical health services, such as surgery and delivering babies? Some physicians are paying more than \$50,000 a year for liability insurance. That, no doubt, is a problem. But it's not clear that the

### A Questionnaire:

#### How would YOU resolve some of the critical issues facing the legislature this session?

**Instructions:** Please complete by darkening the entire circle. You may return the survey to my office:

Sen. Rosa Franklin  
PO Box 40436  
Olympia, WA 98504-0436

**1. Primaries.** The 9th Circuit Court has ruled that Washington's current primary election process is illegal. (See the options for fixing it described above). Which option would you favor?

- ☐ Fight for the current system, under which you can cast your ballot for whomever you chose, regardless of party affiliation. The state has appealed the 9th Circuit's decision to the U.S. Supreme Court.
- ☐ "Cajun Primary," where the top two vote-getters advance to the general election, regardless of party.
- ☐ Open Primary, Private Choice, which requires voters to cast their ballots as either a Republican or a Democrat and chose from that party's slate of candidates.

**2. Education Trust Fund.** Do you like the idea of raising \$1 billion annually in additional revenues to improve our education system by expanding access to early childhood

education, reducing class sizes and helping more students go to college?

- ☐ Yes
- ☐ No

#### If so, what do you think is the best way to raise revenues?

- ☐ Extend the sales tax to attorneys, accountants, architects, engineers and consultants.
- ☐ Apply the sales tax to consumer services such as cable TV, gym and country club memberships, and hairdressers.
- ☐ Increase the sales tax rate by 1 cent
- ☐ Don't raise any additional revenues before fundamentally restructuring our tax system to make it fairer.

**3. Tax restructuring.** In 2002, a blue ribbon panel chaired by Bill Gates, Sr. concluded that Washington's tax structure is unfair to low-income families and small businesses. It said the state could raise the same amount of revenue in a way that would be fairer. Which of the following would you favor?

- ☐ Leave taxes alone even if it means investing less in schools and health care in the future.
- ☐ Restructure the tax system by lowering the sales and property taxes while finding other ways to make up the losses from reducing the regressive taxes.
- ☐ Lessen the tax burden, which will likely result in fewer services and less support for schools and colleges.